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SACRAMENTO WOMAN INDICTED FOR DEFRAUDING
HOME SHOPPING NETWORK AND QVC OF \$757,181

SACRAMENTO-- United States Attorney McGregor W. Scott announced today that a federal grand jury returned a 41 count indictment charging XIAOHUI WU, 27, of Sacramento, California with mail fraud and access device fraud.

This case is the product of an extensive investigation by the United States Postal Inspection Service.

According to Assistant United States Attorney Christine S. Watson, who is prosecuting the case, the indictment alleges that WU devised a scheme and artifice to defraud and to obtain money and merchandise by means of materially false and fraudulent pretenses, representations, and promises.

Specifically, the indictment alleges that WU perpetrated a scheme in which she purchased merchandise from retailers by making initial purchase payments for merchandise with minimally-funded prepaid debit cards and gift cards and making false promises to make additional payments over time. Relying on her promises, the retailers shipped the merchandise to WU. However, the retailers were unable to collect additional payment amounts due beyond the initial purchase payments because the debit and gift cards contained insufficient funds. WU also is alleged to have advertised and sold the merchandise she obtained pursuant to this scheme

on eBay, Inc.'s web site. As a result of her activities, WU wrongfully obtained or attempted to obtain in excess of \$757,181.05.

If convicted, the maximum penalty under federal law for each offense of mail fraud is 20 years imprisonment, a 3 year term of supervised release, and a \$250,000 fine. The maximum penalty under federal law for the offense of access device fraud is 10 years imprisonment, a 3 year term of supervised release, and a \$250,000 fine.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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